

EXHIBIT C

Kurz Declaration

{1368.002-W0072166.}

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

**DECLARATION OF STEPHEN J. KURZ IN SUPPORT OF THE DEBTORS' MOTION
FOR ENTRY OF AN ORDER AUTHORIZING AND APPROVING (I) GUIDELINES
FOR THE SALE OR TRANSFER OF CERTAIN DIGITAL ASSETS, (II) THE SALE
OR TRANSFER OF SUCH DIGITAL ASSETS IN ACCORDANCE WITH SUCH
GUIDELINES FREE AND CLEAR OF ANY LIENS, CLAIMS, INTERESTS AND
ENCUMBRANCES, (III) THE DEBTORS' ENTRY INTO, AND PERFORMANCE
UNDER, POSTPETITION HEDGING ARRANGEMENTS, INCLUDING GRANTING
LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS IN
CONNECTION THEREWITH AND (IV) THE DEBTORS
TO STAKE CERTAIN DIGITAL ASSETS**

I, Stephen J. Kurz, hereby declare as follows:

1. I am the Global Head of Asset Management of Galaxy Digital Capital Management LP ("Galaxy Asset Management"), a global asset management platform offering a suite of institutional-grade investment vehicles that span active, passive and venture strategies.
2. I am duly authorized to make this declaration (this "Declaration") on behalf of Galaxy Asset Management and submit this Declaration in support of the *Debtors' Motion for Entry of an Order Authorizing and Approving (i) Guidelines for the Sale or Transfer of Certain Digital Assets, (ii) the Sale or Transfer of Such Digital Assets in Accordance With Such Guidelines*

¹ The last four digits of FTX Trading Ltd.'s tax identification number are 3288. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://cases.ra.kroll.com/FTX>. The principal place of business of Debtor Emergent Fidelity Technologies Ltd is Unit 3B, Bryson's Commercial Complex, Friars Hill Road, St. John's, Antigua and Barbuda.

*Free and Clear of Any Liens, Claims, Interests and Encumbrances, (iii) the Debtors' Entry Into, and Performance Under, Postpetition Hedging Arrangements, Including Granting Liens and Superpriority Administrative Expense Claims in Connection Therewith and (iv) the Debtors to Stake Certain Digital Assets (the "Motion").*² I am not being compensated for this testimony.³

3. Except as otherwise indicated, all facts set forth in this Declaration are based upon: (i) my personal knowledge, information and belief, or my opinion based upon experience, knowledge and information concerning digital asset markets; (ii) information learned from my review of relevant documents; and/or (iii) information supplied by persons working directly with me or under my supervision, direction or control. If I were called upon to testify, I could and would testify competently to the facts set forth in this Declaration.

4. I understand that the Debtors and their advisors have developed the Management and Monetization Program and Management and Monetization Guidelines to provide for, among other things, sales, hedging and staking of Digital Assets through an Investment Adviser.

5. The cryptocurrency markets have historically been volatile, and markets for digital assets vary with respect to both liquidity and value. Furthermore, as in markets for traditional assets, any information that becomes available to participants in the digital asset markets is rapidly incorporated into market prices. Thus, I believe that if the Debtors publicly announced any proposed Digital Asset sales in advance, sophisticated market participants would use such information to their benefit and, necessarily, to the Debtors' detriment.

² Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Motion.

³ As part of the investment services agreement between FTX Trading Ltd. ("FTX Trading") and Galaxy Asset Management that the Debtors seek to have FTX Trading enter into concurrently herewith, Galaxy Asset Management has agreed to provide testimony in support of the Court's consideration of the Motion.

6. Even if the Debtors did not publicly announce their proposed Digital Asset sales in advance, I believe that if they were to directly request quotes from and execute sales with over-the-counter market makers, they would “tip off” the broader market (and move the market price of the Digital Assets against their interest). This is known as “information leakage.” An Investment Adviser has strategic expertise in conducting sales while minimizing such “information leakage.”

7. An Investment Adviser also has experience and trading infrastructure that allow it to time sales and choose trading venues and counterparties for its clients in a way that is intended to maximize the value of Digital Assets. I understand that an Investment Adviser would be prohibited from executing transactions and taking any other actions that are not in the best interests of the Debtors pursuant to applicable law and consistent with the Investment Adviser’s professional standards and duties.

8. I also understand that the Debtors are requesting Court authorization to “stake” certain of their Digital Assets as part of the validation mechanism of “proof-of-stake” blockchains. Staking is a method by which digital assets are typically “locked” in a “proof-of-stake” blockchain “validator node” for a specified period of time and used to “validate” transactions on such blockchain. In return for locking such digital assets on the blockchain, yield is paid to the owners of the staked digital assets (in the form of in-kind digital assets sometimes referred to as “rewards”). If a validator node does not perform its validation duties in conformance with the rules of the relevant blockchain, it may be “slashed,” meaning that some amount of the digital asset staked to that validator node will be forfeited. Staking assets into the proof-of-stake system is a way to earn passive interest on Digital Assets that would otherwise remain idle. From

my understanding of the Debtors' proposed Staking Method, I believe it is consistent with practice across the cryptocurrency industry.

9. It is general market practice for parties to hedging contracts to be required to provide credit support in the ordinary course of business to ensure their performance when they are out-of-the-money.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: August 23, 2023

/s/ Stephen J. Kurz

Stephen J. Kurz
Managing Director and Global Head of Asset
Management
Galaxy Digital Capital Management LP